



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

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Executive Director

LOWELL P. BRAXTON
Division Director

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Governor

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Lieutenant Governor

March 23, 2004

Mr. Brent Northrup
Bureau of Land Management
Moab Field Office
82 East Dogwood Street, Suite M
Moab, Utah 84532

Subject: Release of Drill Hole Sites, SUMMO USA Corporation, Lisbon Valley
Project, M/037/088, San Juan County, Utah

Dear Mr. Northrup:

In late 1999, SUMMO USA Corp. drilled about seven exploration holes on Bureau of Land Management land in Section 25, Township 30 South, Range 25 East, SLBM. A copy of a portion of the map included with the proposal is included with this letter.

Sal Venticinque participated in a joint agency inspection of these sites on January 20, 2000, and the Division subsequently released all of the bond held for reclamation with the exception of \$1,916 which continues to be held for revegetation.

On March 19, 2004, Chuck Bauer (SUMMO) and I visited the sites of three of the seven holes on BLM land. Although vegetation in surrounding areas was dominated by pinyons and junipers that were not yet established in the reclaimed areas, the amount of vegetation cover was comparable between disturbed and undisturbed areas. Pictures of two areas visited are included with this letter. The Division of Oil, Gas and Mining proposes to release the remaining bond for these sites, and we request your concurrence.

Mr. Bauer and I also visited the exploration/development holes currently being drilled in Section 1, Township 31 South, Range 25 East, and Section 6, Township 31 South, Range 26 East. Holes 1, 2, 4, 5, 6, 7, 9, 17, 18, and 19 had been drilled and plugged. Of these, only sites 17, 18, and 19 are on BLM land. Holes 3 and 11 (on private land) were left open for further testing, hole 8 (private) was not drilled, and since the driller had had some problems on hole 12 (BLM), it

Brent Northrup
Page 2 of 2
M/037/088
March 23, 2004

had not yet been completed. At the time of the inspection, I believe the driller was working on site 16 (BLM). He does not anticipate drilling holes 21 (private) or 25 (BLM).

Based on the number of holes that have been drilled and the number that have been plugged, the Division proposes to release \$1,650 of the bond being held for these sites (11/25 sites plugged X \$3,750 allocated for plugging). Please let us know as soon as possible whether you can agree with releasing this bond money.

If you have any questions about this letter, please call me at 801538-5261. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker, Reclamation Biologist
Minerals Regulatory Program

PBB:jb
Enclosures: map & photos
O:\M037-SanJuan\M0370088-LisbonValley-Summo\Final\northrup-03232004.doc



T 30S, R25 E






RECEIVED

FEB 09 2000

DIVISION OF
OIL, GAS AND MINING



LEGEND

-  - Existing Trail
-  - Existing Road
-  - Proposed Brush Clearing = Overland Travel
-  - Proposed Trail Construction
-  - Proposed Drill Hole



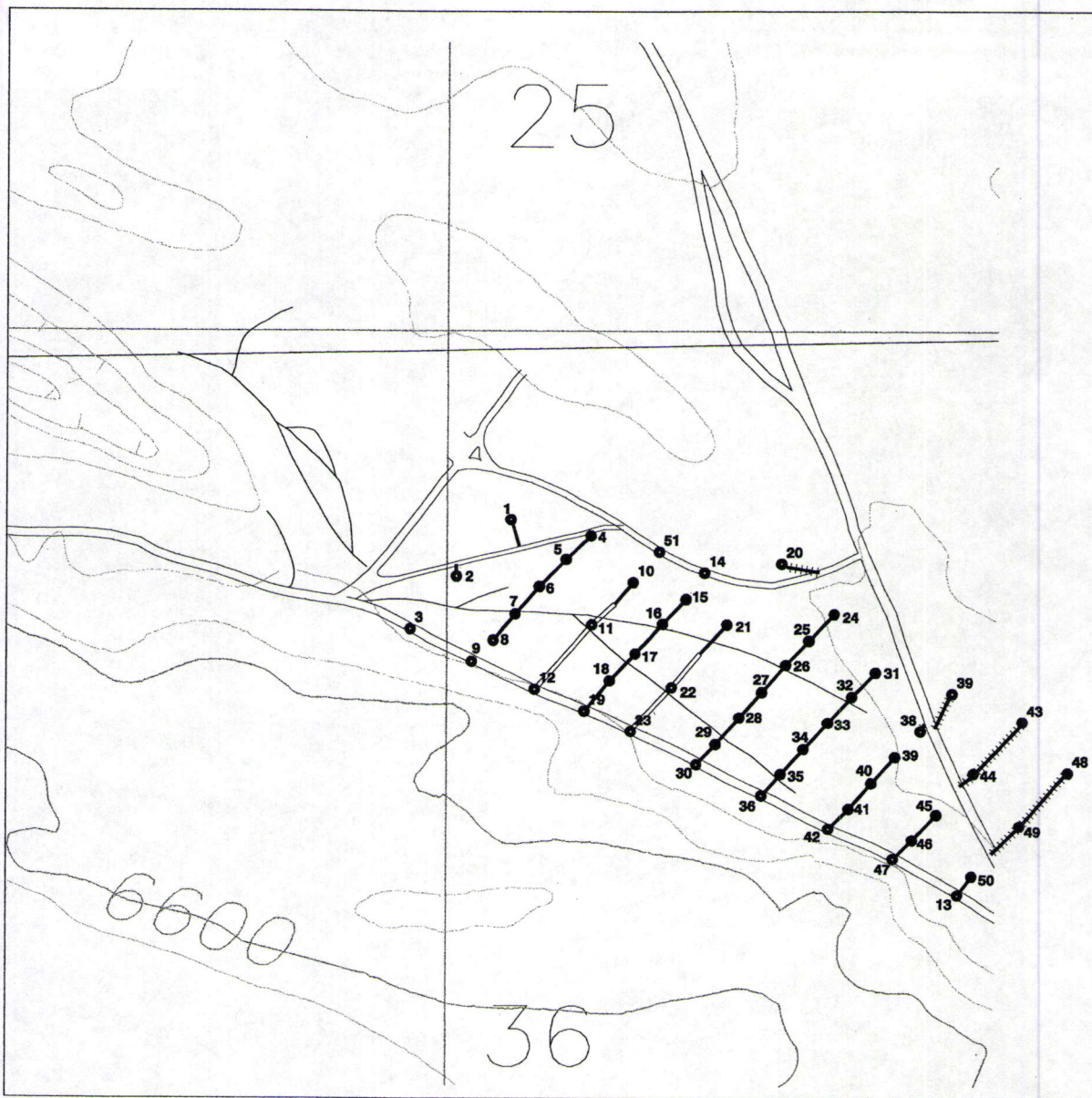
GOCHNOUR & ASSOCIATES, INC.

Lisbon Valley Project
Winter (January/February) 2000
Exploration Project

SCALE: 1"=500'

SCALE IN FEET





T 30S, R25 E

LEGEND

- Existing Trail
- Existing Road
- Proposed Brush Clearing = Overland Travel
- Track Routes = Overland Travel
- Existing Trail Construction From Previous Exploration Permit
- Proposed Drill Hole



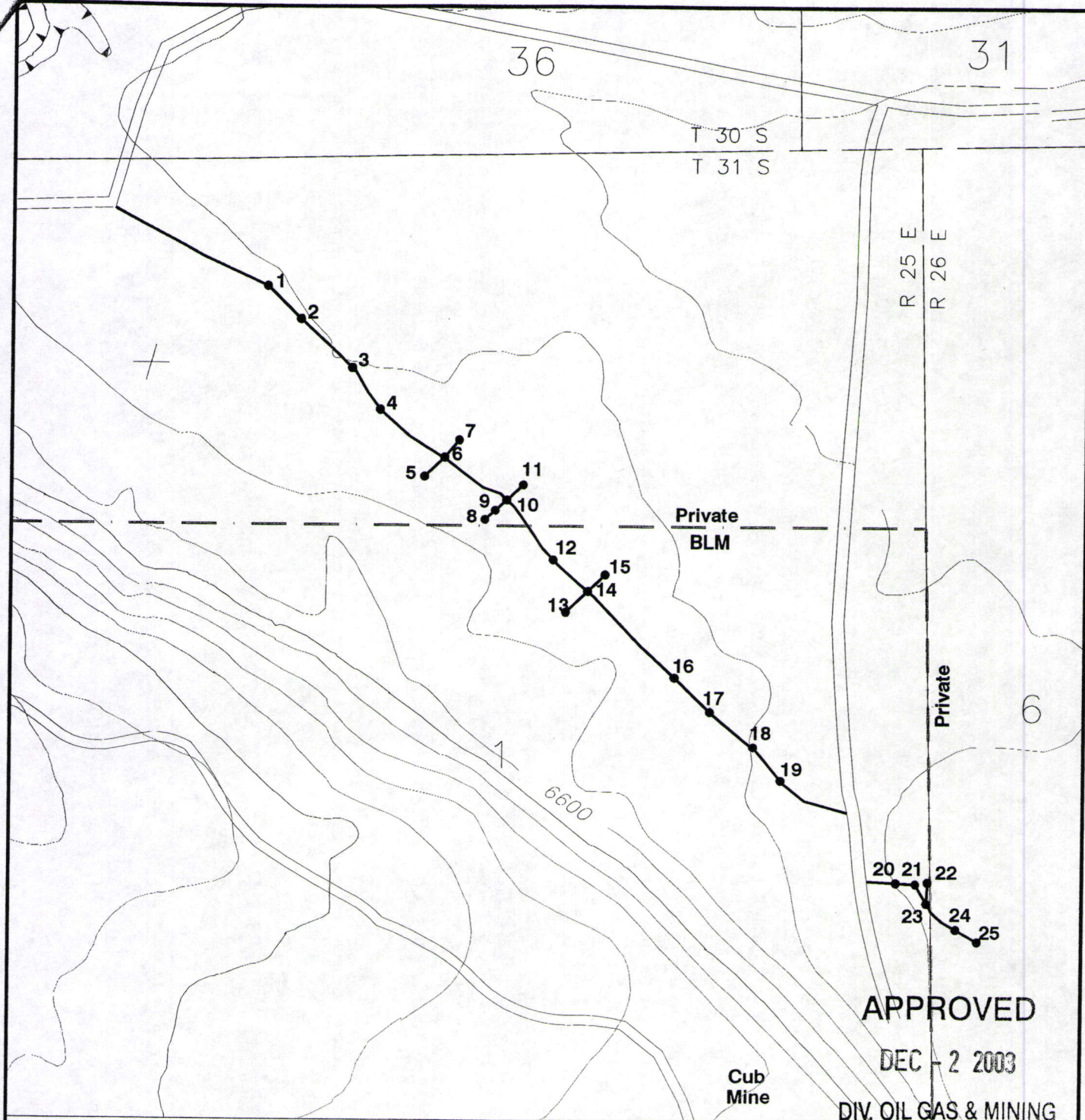
SCALE IN FEET



GOCHNOUR & ASSOCIATES, INC.

Lisbon Valley Project Spring (April/May) 2000 Exploration Project

SCALE: 1"=500'



LEGEND

- Existing Access Route
- New Access Route
- Proposed Drill Sites



SCALE IN FEET



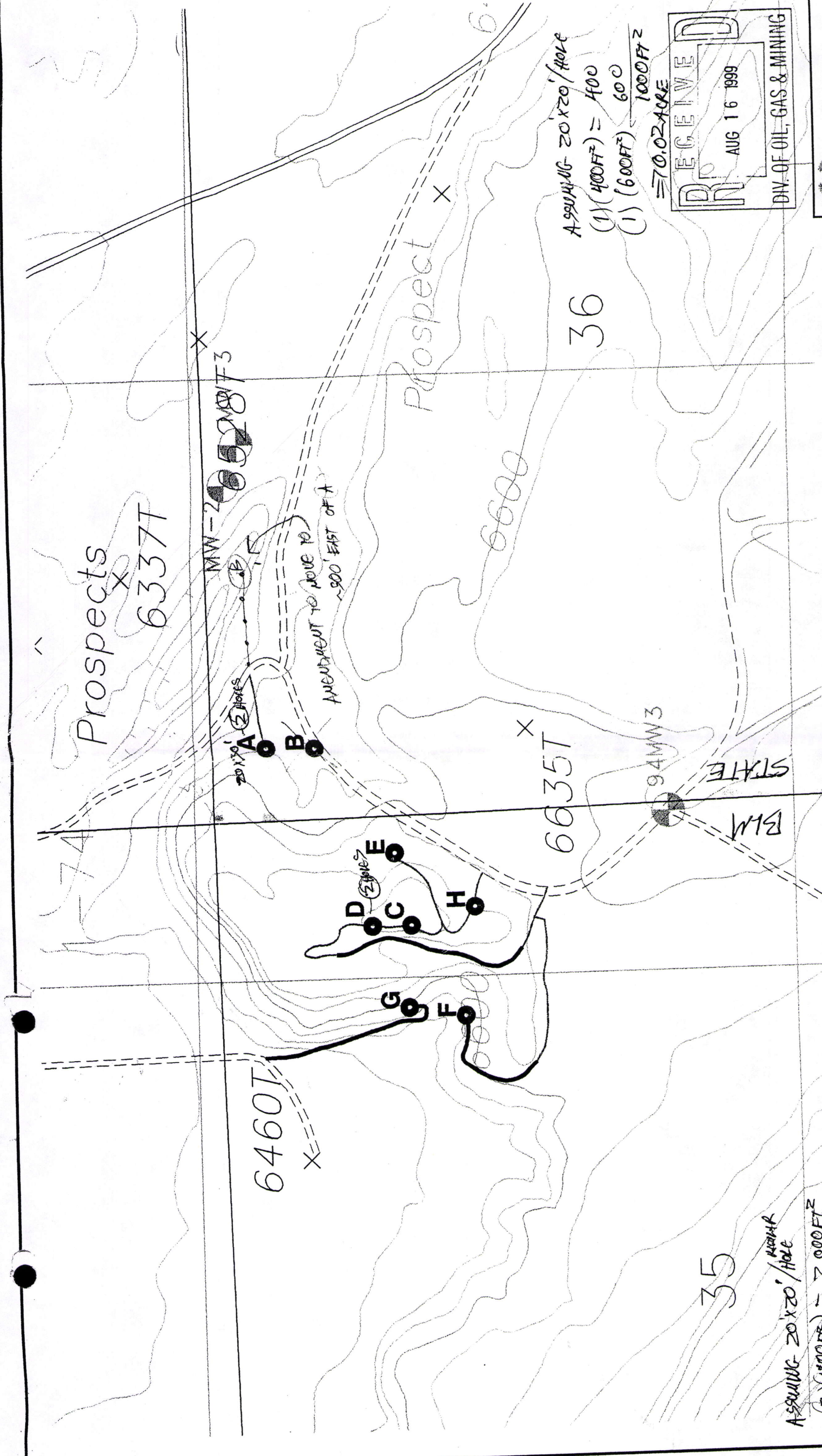
GOCHNOUR & ASSOCIATES, INC.

Lisbon Valley Project

Fall 2003

Exploration Project

SCALE: 1"=500'

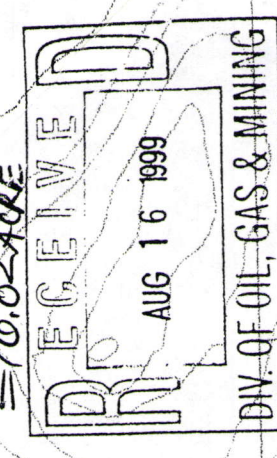



10 HOLES ON 8 SHEETS
 ASSUMING 20' x 20' / HOLE
 $(5)(400\text{FT}^2) = 2,000\text{FT}^2$
 $(2950)(14) = 41,300\text{FT}^2$
 $\frac{43,300}{600} = 72,166$
 $\frac{43,900}{1,008} = 43.5$
 72,166 + 43.5 = 72,209.5 ACRES

- Legend**
- Existing Access Road
 - New Access Trail Construction
 - Existing Access Trail (No Construction)

T 30S, R25 E

ASSUMING 20' x 20' / HOLE
 $(1)(400\text{FT}^2) = 400$
 $(1)(600\text{FT}^2) = 600$
 $\frac{1000\text{FT}^2}{70.02\text{ACRE}} = 14.29$




 GOCHNOUR & ASSOCIATES, INC.
Lisbon Valley Project
 August 12, 1999
Exploration Project
 SCALE: 1" = 500'

Attachment 1